

806 KAR 19:020. Claims; secondary beneficiary.

RELATES TO: KRS 304.19-070, 304.16-040

STATUTORY AUTHORITY: KRS 304.2-100

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.2-10 provides that the Executive Director of Insurance may make reasonable rules and regulations necessary for or as an aid to the effectuation of any provision of the Kentucky Insurance Code. This administrative regulation sets forth who is responsible for making claims under a credit life insurance policy and how payment is to be made if there is any balance due to a secondary beneficiary or the debtor's estate.

Section 1. It shall be the duty of the creditor to furnish to the insurer, as soon as practical following a loss under a credit life insurance policy, a notice of loss setting forth complete and accurate details as to the net amount due it, computed on an early payment basis, including the balance, if any, due to the secondary beneficiary or the debtor's estate. It shall be the insurer's duty to pay such balance, if any, by separate check, and deliver it to the creditor for proper disbursement or delivery.

Section 2. In the case of a debtor group policy only, creditor-beneficiary shall have the right as policyholder to terminate coverages and to receive dividends and rate credits. (I-19.02; 1 Ky.R. 869; eff. 5-14-75; TAm eff. 8-9-2007.)